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RUEHIL/AMEMBASSY ISLAMABAD 1514
RUEHLO/AMEMBASSY LONDON 2388
RUEHMO/AMEMBASSY MOSCOW 0953
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RUEHCI/AMCONSUL CALCUTTA 7963
RUEHCG/AMCONSUL CHENNAI 8124
RUEHBI/AMCONSUL MUMBAI 7323
RUEAIIA/CIA WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RHEGGTN/DEPT OF ENERGY GERMANTOWN MD
RHEHNSC/NSC WASHDC
RUEHUNV/USMISSION UNVIE VIENNA 0896
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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 008511

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KNNP, LE, PARM, PGOV, PK, CH, IN
SUBJECT: SENATOR SPECTER MEETING WITH P.M. SINGH

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Classified By: A/DCM John Davison for Reasons 1.4 (B, D)

¶1. (C) Summary. Visiting Senator Arlen Specter (R - PA) called on Indian P.M. Manmohan Singh December 24. Both agreed on the historic impact of the U.S./India civil-nuclear agreement on bilateral relations. P.M. Singh offered the caveat that the significance will be historic once the 123 Agreement is finalized, and Senator Specter urged Singh to expedite 123 negotiations. Other topics of this very cordial discussion included bilateral economic ties, China, Iran, Syria, Iraq, the Middle East and outsourcing of Pennsylvania jobs to India. End Summary.

Gratitude for Civil-Nuclear Agreement

¶2. (C) During a December 24 meeting with Senator Arlen Specter, P.M. Singh expressed his strong appreciation to President Bush and especially to the Republican leadership of Congress for their efforts to garner strong bipartisan support for passage of the civil-nuclear legislation. Singh said that the impact of the agreement will be historic once the follow-on 123 Agreement is finalized, which Senator Specter urged be done as quickly as possible. Senator Specter agreed the accord demonstrated the great promise of the agreement for stimulating economic ties and the Indian development. He noted that the US "liked what it saw" in India, especially in contrast to authoritarian China, and he stressed the importance of Indian democracy "in this troubled world." For his part, Singh described the improved relationship between our two democracies as a "far-reaching signal to humankind in the 21st century." Singh also pointed out other examples of growing ties, citing the good works of the CEO Forum and cooperation on clean coal technology.

Singh was particularly keen to emphasize the importance of the Agricultural Knowledge Initiative, which he said offered India the opportunity of a "second wave" of its Green Revolution.

"What if?" on Regional Nuclear Proliferation

13. (C) Senator Specter alluded to an earlier visit he made to India in 1995, when he had transmitted an offer by then-P.M. Rao to then-Pakistani P.M. Bhutto to make the sub-continent a nuclear-free zone (an offer which Bhutto subsequently rebuffed). Specter sought Singh's views on how the region might be different had Bhutto taken the offer seriously. Singh chose to respond by pointing out that Pakistan was not India's only neighbor which possessed nuclear weapons. Regretfully, other neighbors such as China and further away, North Korea, were nuclear weapons states, and thus, a purely sub-regional solution to eliminate nuclear weapons would not be salable to Indian voters.

14. (C) That noted, Singh stressed that there was no dearth of opportunities for dialogue with Pakistan, and to that end he had met four times with President Musharraf since becoming P.M. Normalization of ties with Pakistan remained a top priority for his government. Likewise, Singh wanted to improve ties with China, despite a long-standing border dispute. Later in the meeting, however, he criticized Chinese influence in Africa and the Middle East, and said he doubted that China would ever support a solution in Darfur.

Musings on Iran, Syria and Hamas

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15. (C) Senator Specter then noted his appreciation for Indian votes at the IAEA on Iran, and he sought Singh's views on Syria and the Middle East. Singh recalled his public statements that India does not want Iran to become a nuclear state. As a signatory to the NPT, Iran had legitimate rights but also obligations. Singh worried, however, that events in Iraq and Lebanon have increased Iran's self-confidence. Between the leadership of Iran and Syria, Singh thought that President Assad would be easier to influence. He said that the assessment of his special envoy to Syria was that Assad seeks a modus vivendi with the U.S, but that such an arrangement is complicated by the investigation into Syria's role in assassination of former Lebanese P.M. Hariri. On the Israeli-Palestinian issues, Singh noted India's historic close ties to Israel, but he added that since the death of Arafat, India had not yet built similar close ties to the current Palestinian leadership, especially from Hamas. Still, Singh said he agreed with an assessment given to him by former President Clinton on how power was sobering. Eventually, he thought Hamas would have to learn that it needs to behave differently in governing than it did while in opposition.

Outsourcing and Next Steps on Trade

16. (C) Senator Specter mentioned how impressed he was with the development he had witnessed in early legs of his visits to the southern cities of Cochin and Bangalore. Still, he wanted to pass on concerns from some of his Pennsylvania constituents about outsourcing of jobs from the U.S. to India. Singh noted that one of the many positive aspects of the civil-nuclear deal would be increased opportunities for U.S. firms such as Pennsylvania-based Westinghouse to compete for major nuclear energy deals. Specter, smiling, reminded Singh that General Electric also had operations in Erie, Pennsylvania. Singh also acknowledged, however, that India

still could strengthen its market economy by focusing more on removing bureaucratic obstacles. Specter asked if India could develop at the same pace as China, whose leaders he acknowledged could at times be quite ruthless in their push to develop. Singh answered that while reforms might be slower in a democracy, but that when change occurs, it was more durable.

Parting Thoughts on Iraq and Afghanistan

17. (C) Singh's observations on democracy led Senator Specter to muse as to why democracy seemed to face such challenges in Russia, Iraq and Afghanistan. Singh recalled what he said he had earlier told President Bush: that developing democracy also depended heavily on such factors as culture and civilization. He stressed India's support for President Karzai, and noted that India already contributed 700 million dollars in development assistance to Afghanistan. The world has to stay the course in Afghanistan, which faces continued challenges by the Taliban who are using Pakistani territory against Karzai. In Iraq, it had been a mistake to dissolve state institutions such as the army, and rebuilding them would be a long-term process. A precipitous U.S. departure would have undesirable consequences, as would dividing Iraq into three parts. Jordanian King Abdullah had recently visited India and was "worried" about the regional situation.

Meeting Attendees

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18. (U) USG: Senator Arlen Specter, Ambassador David Mulford, Scott Boos, Legislative Assistant for Specter, and John Davison, Economic Minister Counselor. GOI: Prime Minister Manmohan Singh, and Joint Secretary Americas, Ministry of External Affairs, S. Jaishankar.

19. (U) This message was not cleared by Senator Specter.

MULFORD